GOLD	RUPEE	OIL	SILVER
₹35,730	₹68.89	$63.43*	₹42,150

*Indian basket as on July 23, 2019

SENSEX: 37,882.79 ▲ 51.81 NIFTY: 11,284.30 ▲ 32.15 NIKKEI: 21,658.15 ▼ 98.40 HANG SENG: 28,397.74 ▼ 196.56 FTSE: 7,533.96 ▲ 44.91 DAX: 12,401.71 ▲ 39.61

International market data till 1900 IST

ICIJ-THE INDIAN EXPRESS INVESTIGATION

Conyers advised iYogi on failed Nasdaq listing bid

A US court judgement dealt the tech support firm a big blow

P VAIDYANATHAN IYER
NEW DELHI, JULY 26

CONYERS DILL and Pearman advised iYogi Ltd, the Mauritius holding company of international tech support provider iYogi Inc and iYogi Technical Services Private Ltd, on its proposed NASDAQ listing in 2011, which never materialised. The Mauritius firm, which was originally named iYogi Holdings Private Ltd, hoped to raise $125 million through the listing.

According to records investigated by *The Indian Express*, iYogi, through Conyers, had prepared a draft registration statement to be submitted to the Securities and Exchange Commission (SEC), United States. Conyers wrote to Financial Services Commission of Mauritius on April 11, 2011, that iYogi will file a copy of its F-1 Registration Statement (containing the company's prospectus) when it is declared effective by the SEC.

iYogi was promoted in 2007 by entrepreneurs Vishal Dhar and Uday Challu. It took over an existing firm IQ Resource, a company controlled by Challu, Dhar and Bernard Lunn, paying about $672,163. Just before the proposed listing, the three held 6.35 per cent each in iYogi. While Challu was the Group CEO, Dhar was a Director and Group President of Marketing.

A mail seeking Challu's response bounced back; he could not be contacted.

In 2011, iYogi's revenues were estimated at $36.1 million with gross profits of $15.5 million, a significant jump over the previous year's revenues of $11.5 million and gross profits of $5.3 million. Net loss for 2011 stood at $36.9 million, almost three times the net loss of $12.5 million in 2010.

After iYogi called off the listing due to bad market conditions in 2011, the company made another unsuccessful attempt in 2013-14, but after being accused of scamming consumers in 2015 by Washington State Attorney General, the listing plans were abandoned. In an April 19, 2018, press statement, the Washington State AG's office said that its lawsuit shut down iYogi. A particular issue red-flagged by Conyers ahead of the proposed Nasdaq listing pertains to a gift of 5,568 shares by Lunn, who was one of the co-founders, to his colleague and iYogi Group CEO Challu. Eventually, the issue seems to have been addressed with Lunn issuing a certificate to that effect to Conyers.

The company raised significant funds from a bunch of private equity players before it faced the lawsuit by the Washington State Attorney General. According to Venture Intelligence, a firm that tracks private equity flows, iYogi raised over $85 million from venture capital investors between 2007 and 2014 based on public announcements and reports. It last raised $28 million in May 2014.

iYogi, through Conyers, prepared a draft registration statement to be submitted to US SEC

Ahead of its plans to list, iYogi intended to issue preference shares of $0.1 par value to a set of investors including DFJ Mauritius Inc, SAP AG, Sequoia Capital, SVB India Capital Partners I and Canaan VII L.P. The total funds the investors would have brought in was to the tune of about $30 million, according to a Directors' written resolution in December 2010. iYogi Limited was ready for the listing in Mauritius informing Conyers that it had granted the company an exemption in respect of disclosure requirements under Mauritius laws. Conyers also advised Ernst & Young, auditor to iYogi, that no judgment was delivered against the company and no legal proceedings were pending against it as on September 13, 2011. But the fatal blow of the Washington State Attorney General lawsuit had a debilitating impact. The lawsuit, filed in December 2015, accused iYogi, described as one of the largest independent tech support providers in the world, of "scamming consumers" and "using deception and scare tactics to pressure consumers into buying unnecessary tech support services".

The US had seen a dramatic increase in tele-marketing fraud of all types over the previous few years. Dhar had, in a statement then, said nobody from the AG's office had reached out to iYogi. "Pursuing us will not achieve that goal, it will only embolden the real criminals to continue with their scams because the AG has chosen to try and punish a good company due to its prominence," he said on December 17, 2015.

Two years later, the judgments, entered in King County Superior Court, however, said iYogi India and iYogi Inc committed multiple violations of the state's Consumer Protection Act. The court entered $6.3 million in lawsuits in judgments against the Indian and US business of iYogi — iYogi Technical Services Private Ltd and iYogi Inc.

AT $430.37 BILLION IN THE WEEK ENDED JULY 19

Stable Re, lower oil prices push forex reserves to all-time high

ENS ECONOMIC BUREAU
NEW DELHI, JULY 26

EVEN AS July has seen significant outflow of funds by foreign portfolio investors (FPIs) from Indian markets following the Budget announcements earlier this month, an overall strong inflow of funds this year by FPIs in both equity and debt markets saw India's foreign exchange reserves hit an all-time high of $430.37 billion in the week ended July 19, 2019.

This year, the Reserve Bank of India also conducted currency swaps worth $10 billion, which also added to the forex kitty. The inflows have come on the back of a stable rupee and relatively lower crude oil prices.

Having hit a high of $426 billion in April 2018, the forex reserves slid in the second half of 2018 following a rise in crude oil prices, outflow of FPI money and decline in rupee value against the dollar.

However, as the crude price stabilised and rupee recovered from its lows of over 74 to a dollar (recorded in October 2018), the foreign exchange reserves have jumped from $393.4 billion on December 28, 2018 to $430 billion on July 19, 2019.

Since the beginning of this calendar year, FPIs have pumped in a net of Rs 92,275 crore into Indian securities market. While Rs 62,939 crore have been routed into the Indian equities, Rs 20,615 crore came into the debt market.

July has seen subdued FPI activity into the markets, especially after the Budget announcements that proposed to increase surcharge on incomes over Rs 2 crore.

Experts say that it will impact taxation on FPIs that operate on a trust structure. This month, FPIs have pulled out a net of Rs 14,382 crore from the Indian equities. They, however, invested a net of Rs 10,624 crore into the debt instruments.

By comparison, FPIs had pulled out a net of Rs 83,254 crore from the Indian equities and debt market.

While the outflow from equities amounted to Rs 33,553 crore, that from the debt markets amounted to Rs 49,543 crore. Of the total outflow in 2018, just two months — September and October — witnessed net outflows of Rs 59,939 crore, thereby putting pressure on rupee and also resulting into a decline in forex reserves.

In October 2018, the rupee had fallen to its all-time low of 74.34 against the dollar in line with the rising crude oil prices and RBI had to intervene to stem the slide of rupee against the dollar following capital outflows from the debt and equity markets.

The Brent crude oil prices had hit a high of around $86 per barrel, in the same month, putting pressure on rupee and India's current account deficit. However, as the crude oil prices fell over the following months to levels of around $52 per barrel by the end of December 2018, it offered a much needed relief to the rupee and the economy. On Friday, July 26, the Brent crude was trading at $63.5 per barrel and the rupee closed at 68.89 against the dollar. A stability in crude oil prices and rupee gave investors the much needed confidence to invest in the country.

High in crude oil prices hurts the Indian economy significantly as crude imports account for almost one fourth of India's import bill.

While the forex reserves fell in line with rising crude oil prices and FPI outflows, the decline got arrested in November and started to rise beginning January 2019. Over the last seven months, the forex reserves have grown by almost $37 billion.

EXPLAINED E.

Stronger Reserve Bank war chest for difficult times

THE RISE in forex reserves to over $430 billion as on July 19, 2019 — compared to $428.80 billion a week earlier — provides the Reserve Bank of India a strong war chest to cushion for unfavourable times.

A relatively lower global crude oil prices, stable rupee this year and outcome of the general elections in May provided comfort to foreign portfolio investors leading them to invest a net of over Rs 92,000 crore into Indian equity and debt markets.

'Amendments in bidding norms positive'

Recent amendments in bidding guidelines are positive for wind power developers and will boost wind capacity addition in this fiscal, ICRA said

3.5-4GW

Rise expected in wind power capacity addition, supported by large project awards by nodal agencies and measures taken to address key challenges

18 months: New extended timeline for land acquisition for wind projects; earlier was seven months

12GW: Capacity of wind power projects awarded over the past two-and-a-half years

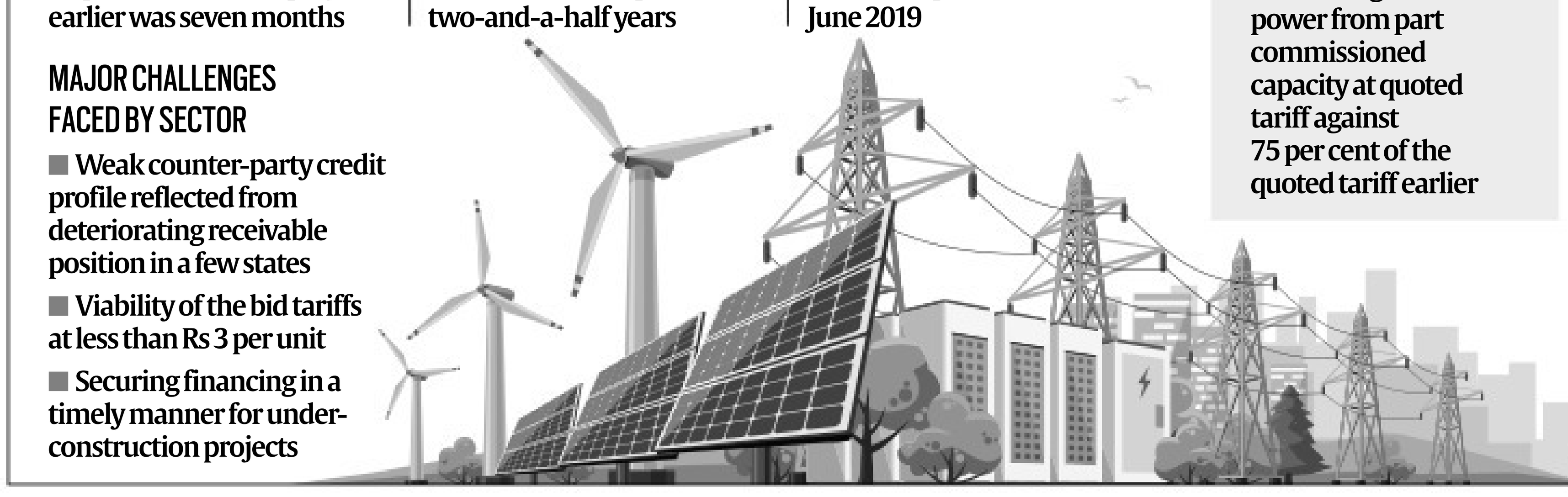
2.3GW: Wind power projects commissioned between April 2018 and June 2019

MAJOR CHALLENGES FACED BY SECTOR

- Weak counter-party credit profile reflected from deteriorating receivable position in a few states
- Viability of the bid tariffs at less than Rs 3 per unit
- Securing financing in a timely manner for under-construction projects

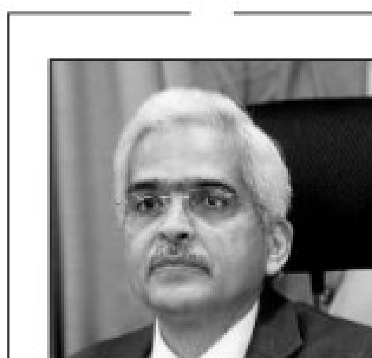
KEY AMENDMENTS UNDERTAKEN BY GOVT

- Providing additional time for revising annual capacity utilisation factor (CUF)
- Lowering penalty rate for shortfall in generation to 50 per cent of the quoted tariff from earlier 75 per cent
- Allowing sale of power from part commissioned capacity at quoted tariff against 75 per cent of the quoted tariff earlier



RBI Governor: Global economy moving into an unsettling phase

ENS ECONOMIC BUREAU
MUMBAI, JULY 26



"It is important in the backdrop of slowing global growth that policies of monetary and fiscal authorities are well-calibrated so that they support growth without further build-up of leverage and asset price bubbles ..."

SHAKTIKANTA DAS,
GOVERNOR, RESERVE BANK

RESERVE BANK Governor Shaktikanta Das on Friday cautioned that the global economy "seems to be moving into a new and unsettling phase" in an environment of stressed trade negotiations, rising geopolitical confrontation and limited policy space and high debt levels in several economies.

Das said general government debt of advanced economies (AEs) as a group has surpassed 100 per cent of GDP. "Fiscal space is also constrained in many of the advanced economies. It is important in the backdrop of slowing global growth that policies of monetary and fiscal authorities are well-calibrated so that they support growth without further build-up of leverage and asset price bubbles," Das said.

"Prudent policies are critical to growth with macro-economic stability. Globally, we need to focus on policy space, judiciously use it and simultaneously undertake structural reforms to improve productivity, innovation and job creation," the RBI Governor said, at a function to release the book 'India's Relations with the International Monetary Fund' authored by V Srinivas, a civil servant of the 1989 batch, who was Advisor to the Executive Director for India at the IMF during 2003-06.

Emerging market economies (EMEs) have accumulated reserves over the past two decades which has significantly reduced the sensitivity of capital flows to push factors. "I may mention that in spite of the insurance coming at a high cost, there is enough evidence to indicate that costs of financial crises have been very high in relation to costs of insurance. Thus, it is evident that build-up of reserves by EMEs, so far is not so much to prop up their currencies as to self-insure themselves against global contagion," Das said, supporting the build-up of high forex reserves.

Das said many advanced economies (AEs) have been pursuing low interest rate policies for long without perhaps adequate recognition of their adverse impacts. At the global level, he said, the total quantum of bonds with negative yields has risen to nearly $13 trillion, implying that nearly a third of AEs government bonds trade at negative yields.

"Return to lower interest rates in AEs poses challenges as leverage has already built up in the emerging market economies and the needed deleveraging is not complete in many European economies. Amid low global interest rates, total credit to the non-financial sector in the EMEs went up from 107.2 per cent of GDP at the end of 2008 to 194.4 per cent of GDP by March 2018, before it dropped to 183.2 per cent at the end of 2018," he said.

The net private capital flows to EMEs in the form of direct and portfolio investments also nearly doubled in the post-crisis period, posing risks to some EMEs. "Some of these risks have surfaced in form of weak bank/non-bank balance sheets and some remain latent and can surface, especially when the global interest rate cycles turn decisively. The world will be looking to the IMF to suggest dependable solutions. EMEs on their part need to follow policies that promote macroeconomic and financial stability, while focussing on growth," he said.

Das said many AE have been pursuing low interest rate policies for long without perhaps adequate recognition of their adverse impacts. "Today at the global level, the total amount of bonds with negative yields has risen to nearly $13 trillion, implying that nearly a third of AE government bonds trade at negative yields."

DATA STORAGE CENTRES

IT Min meets industry on govt-led 'cloud economic zone' plan

KARISHMA MEHROTRA
NEW DELHI, JULY 26

The Ministry consulted representatives of firms like Microsoft, IBM, and Amazon on whether such an action is needed to help set up data centres in India

SECTOR WATCH
INFORMATION TECHNOLOGY

FOR THE first time, the government consulted with industry data storage providers to understand the potential need for government-led 'cloud economic zones' — geographical areas identified for the creation of data storage centres, according to ministry and industry sources.

"Increasingly all over the world, there is a tendency to keep sensitive data locally and to a certain extent, all data," an IT ministry official exclusively told *The Indian Express*. "Data is recognised as a valuable resource. If that tendency is there, then certainly India will be one of the top generators of data. If that need to put it in the country comes, do we have the place to keep the data?"

Last week, the IT Ministry consulted representatives from companies such as Microsoft, IBM, and Amazon about whether such government action is needed to help set up data centres in India and if so, what the design and structure of the zones could look like. Some industry representatives expressed security concerns with placing sensitive data in restricted zones, allowing for single attacks to threaten the high-risk areas.

Pending data protection legislation mandates a copy of all sensitive data to be stored in India and all critical data to only be stored in India. A Reserve Bank of India directive last year mandated all payments data to be stored in the country. A draft e-commerce policy has also recommended strict data localisation.

The IT ministry official said that if data localisation policies increasingly come, the ministry may need to act proactively. "We need huge capacities. We cannot be taken aback."

The government is currently under increasing pressure from the US government and foreign industry players not to restrict data storage. At the G20 summit in Osaka, Prime Minister Narendra Modi did not sign onto a declaration of "data free flow with trust" proposed by Japan and heavily championed by the US. India has also refused to join negotiations about e-commerce at the World Trade Organization.

The official said that electricity and energy concerns did not come up heavily in the meeting, adding the solar and wind energy can help supply the centres. The ministry will seek further consultation from industry, the Home Ministry, and National Cyber Security Center.

"We were picking each other's brains," the official stated. "Cloud Economic Zones are definitely on the agenda. But we must first determine the needs of the private sector. We may not need government zones if supply and demand provides it."

Amazon seeks stable policy on e-commerce

ENS ECONOMIC BUREAU
NEW DELHI, JULY 26

AMAZON HAS said it is hopeful of working with the Indian government to seek a "stable predictable policy" that would facilitate the company to continue with its investments in technology and infrastructure.

The comments come almost six months after the revised norms on foreign direct investment in e-commerce came into effect. These bar e-commerce firms with foreign investment like Flipkart and Amazon from selling products of entities in which they hold stake or whose inventory they control.

Currently, the government is in the process of formulating an e-commerce policy that proposes regulating cross-border data flows, setting up storage facilities locally and establishing a data authority to devise a framework for sharing data.

"On the government side, our engagement with the Indian government makes us optimistic about partnering and collaborating to seek a stable predicable policy that allow us to continue investing in our technology and infrastructure. And it also helps us to create jobs and scale local businesses," Brian Olsavsky, chief financial officer at Amazon, said in Q2 2019 earnings call. **FE**

Bajaj Auto consolidated net drops 3%

New Delhi: Bajaj Auto on Friday posted 2.84 per cent decline in its consolidated net profit at Rs 1,012.16 crore for the first quarter ended June 30.

The company had posted a net profit of Rs 1,041.77 crore during the same period of previous fiscal.

Its total revenue from operations rose to Rs 7,755.82 crore for the April-June period from Rs 7,464.89 crore in the same period of 2018-19 fiscal, Bajaj Auto said in a regulatory filing.

Bajaj Auto said it sold 1,247,174 units during Q1, up 2 per cent from 1,226,641 units in the year-ago period. **PTI**

Maruti net falls 27.32% on lower sales volume

ENS ECONOMIC BUREAU
NEW DELHI, JULY 26

"Unless there is a govt intervention which may give some relief, it would not be fair to assume any growth numbers"

AJAY SETH,
CFO, MARUTI SUZUKI INDIA

AN 18 PER CENT drop in volumes and higher expenses dragged down Maruti Suzuki's Q1FY20 net profit by 27.32 per cent year-on-year (y-o-y) to Rs 1,435.5 crore, the fourth straight quarterly fall.

Even a three-fold jump in other income to Rs 836.4 crore and a 48 per cent y-o-y decline in tax expenses could not boost the bottomline at India's biggest car maker. Ajay Seth, CFO, Maruti Suzuki, said the uncertain demand environment was making it difficult to predict growth. "Unless there is a government intervention which may give some relief, it would not be fair to assume any growth numbers," Seth said on the post earnings call. "Inventory continues to be higher than normal at Maruti outlets," he told analysts.

Revenue from operations fell 12.19 per cent y-o-y to Rs 19,719.8 crore, though realisations were better. Operating profit margins contracted a huge 440 basis point to 10.4 per cent, hit by higher raw material prices and average discounts, used to boost sales in an otherwise subdued market. **FE**

AP move to reopen renewable energy contracts will hit growth of the sector: RK Singh to Shah

ANUPAM CHATTERJEE
NEW DELHI, JULY 26

STATING THAT the recent decision of the Andhra Pradesh government to revise power purchase agreements (PPAs) signed with solar and wind developers is detrimental to the renewable energy sector, Power Minister RK Singh has intimated Home Minister Amit Shah that "this has alarmed the sector and the investors".

The letter, a copy reviewed by FE, warned that "if this is not corrected, the FDI will stop coming, the banks will stop financing, and the growth in the renewable energy sector will come to a halt". Since FY15, FDI in the renewable energy sector has been a whopping $4.8 billion. Singh reiterated that "sanctity of the contract is the key to giving confidence to the investors to invest".

Earlier, Singh had tried to persuade Andhra Pradesh CM YS Jaganmohan Reddy against revising PPAs, reminding him that "almost all the major pension funds of the world are invested in India through renewable energy companies". The state sourced 18 per cent of its electricity from renewable energy sources in FY19; it houses about 12 per cent of the country's wind and solar capacity.

The new government in Andhra Pradesh has formed a committee to revise "abnormally priced wind and solar" PPAs, saying these have "resulted in unjustified burden on the consumers of the state", besides contributing to the financial woes of state-run discoms. It believes that many of these agreements were signed with "malafide intentions". Even with the state's aggregate technical and commercial losses — a benchmark for power pilferage and discom inefficiency — of 11 per cent is one of the lowest among the country, its FY19 discom losses stood at Rs 1,563 crore. **FE**

Bill on judicial scrutiny of infra works of ₹100 cr & more passed

Amaravati: Andhra Pradesh Assembly on Friday passed a 'historic' bill that will mandate judicial scrutiny of government tenders for infrastructure works of Rs 100 crore and more before awarding the contracts, aimed at rooting out corruption by bringing transparency. The underlying objective of the "AP Infrastructure (Transparency through Judicial Preview) Bill, 2019" was to root out corruption by bringing in transparency into the system, the state's Chief Minister YS Jagan Mohan Reddy said. **PTI**

IBBI amends norms; liquidation now to be completed in a year

ENS ECONOMIC BUREAU
MUMBAI, JULY 26

THE LIQUIDATION process of any corporate debtor under Insolvency and Bankruptcy Code (IBC) will have to be completed within one year of its commencement, according to amendments to the Insolvency and Bankruptcy Board of India (IBBI) (Liquidation Process) Regulations notified by the IBBI on Friday.

"The amendments require completion of liquidation process within one year of its commencement, notwithstanding pendency of applications for avoidance transactions," the IBBI release read.

"These provide a model timeline for each task in the liquidation process. It also specifies a maximum time of 90 days from the order of liquidation for completion of compromise or arrangement, if any, proposed by the stakeholders under Section 230 of the Companies Act, 2013."

Further amendments on regulations pertaining to liquidation call for financial creditors to contribute towards the liquidation cost, in case the corporate debtor does not have adequate liquid resources to complete liquidation.

In instances where the committee of creditors (CoC) has not approved a plan on such contribution during the corporate insolvency resolution process, financial creditors would have to contribute in proportion to the financial debts owed to them by the corporate debtor.

Such contributions, along with interest at bank rate there on will form part of liquidation cost, which is to be paid in priority.

The amendments also delve into specifics of process over sale of corporate debtor as going concern under liquidation, where the process 'shall be closed without dissolution of the corporate debtor'.

The Insolvency Board also notified changes to the Insolvency Resolution Process for Corporate Persons regulations, which require that when approving a resolution plan or deciding to liquidate the corporate debtor, the CoC may also approve a plan providing for contribution for meeting the liquidation costs.

The CoC can also recommend on sale of the corporate debtor or sale of business of the corporate debtor as a going concern, and fix fees payable to the liquidator in consultation with the resolution professional, in the event an order for liquidation is passed by the Adjudicating Authority. **FE**

STILL WORKING ON NUMBER, AAI CHIEF SAYS

'More airports to be listed for privatisation'

Hope to see foreign airports participate, Mohapatra says

ENS ECONOMIC BUREAU
NEW DELHI, JULY 26

AFTER SUCCESSFUL bids for six airports in India, the government plans to privatise more during the second term of the Modi government, according to the Airports Authority of India (AAI) Chairman Guruprasad Mohapatra.

"As part of the 100 days agenda, we wanted several more airports (to be listed for privatisation)," he said at a briefing Friday, adding that the list of airports that the government will invite bids from in the second phase is expected to be finalised in a week.

"Frankly, we are still working on it — the number and the names. And I expect that we should make some list and send it to the ministry before I leave," said Mohapatra, who will be replacing Ramesh Abhishek as the new Department for the Promotion of Industry and Internal Trade (DPIIT) Secretary from August 1.

The airports up for privatisation are expected to have an annual passenger traffic of 1-1.5 million. "We have appointed two consultants to understand the ... attractiveness of various airports for attracting investment from the private sector," he said.

Mohapatra added that he hoped to see foreign airports participate in the second phase due to the first phase's success.

As a result, AAI may also revise its borrowing requirements, because the disinvestment would mean the authority's capital expenditure commitments would reduce, he said.

"(AAI) will also earn significantly, because the kind of offers that have come are adding a lot to our income," he said.

The AAI Chairman also said that the reduced capex costs at the privatised airports would allow the body to deploy its capex commitments "elsewhere".

The government last year had decided to privatise six profit-making airports—Jaipur, Ahmedabad, Lucknow, Guwahati, Trivandrum and Mangalore—through a public-private partnership (PPP) model that would give bidders the rights to operate, manage and develop the airports for 50 years.

The Adani Group had out-bid players like the GMR Group, AMP Capital and National Infrastructure and Investment Fund for these airports.

While the Union Cabinet has granted approval to operate three of the airports so far, cabinet approval for the remaining three—Jaipur, Guwahati and Trivandrum—is expected "soon".

LIST OF AIRPORTS MAY BE FINALISED IN A WEEK

- **Mohapatra said the list of airports that government will invite bids from in the second phase is expected to be finalised in a week**
- **The airports up for privatisation are expected to have an annual passenger traffic of 1-1.5 million**
- **Last year, it was decided to privatise six profit-making airports — Jaipur, Ahmedabad, Lucknow, Guwahati, Trivandrum and Mangalore**

DHFL to submit proposed resolution plan to lenders soon

ENS ECONOMIC BUREAU
MUMBAI, JULY 26

CASH-STRAPPED DEWAN Housing Finance Corporation (DHFL) is expected to submit its proposed resolution plan to all its lenders for their consideration shortly. The cash-strapped home loan finance company has a cumulative debt of Rs 1 lakh crore, of which it owes Rs 38,000 crore to banks and Rs 34,000 crore to bondholders.

Meanwhile, mutual funds have an exposure of Rs 2,200 crore to DHFL via non-convertible debentures (NCD) and Rs 180 crore of commercial papers (CP).

In a note to exchanges, the home loan financier said, "We wish to inform you that the Company has been constantly engaged with the lenders to formulate and finalise the resolution plan and expects to submit the resolution plan for consideration by the lenders shortly, which is within the time frame available with the Company as envisaged in the Circular."

Meanwhile, several banking sources have indicated that the company's default on June 25 prompted lenders to undertake a review of the account, in line with the Reserve Bank of India's June 7 circular on prudential framework for resolution of stressed assets.

"We wish to inform you that the Company has been constantly engaged with the lenders to formulate and finalise the resolution plan and expects to submit the resolution plan ... shortly,"

DHFL
IN NOTE TO EXCHANGES

The circular allows lenders a 30-day 'review period' from date of default to decide on a resolution strategy, including the nature of the plan and approach for implementation. The dates suggest bankers are already staring at the end of the review period, which would mean they have 180-days here on to implement a viable resolution plan.

In an earlier notice to the exchanges, DHFL mentioned that it has formed a committee of the board of directors, which has the authority and powers under the Companies Act, 2013 to formulate, consider, finalise and approve the resolution plan in accordance with the RBI's June 7 circular.

Meanwhile, banking sources indicated that SBI Caps, company officials and a team of bankers from select banks within the consortium have been working together on the resolution plan and which could be finalised soon. **FE**

BRIEFLY

Note ban cases: More time to I-T

New Delhi: The Central Board of Direct Taxes Friday said it has extended the taxman's deadline by another two months till September to complete the final assessment of about 87,000 entities across the country who made suspicious deposits post-demonetisation.

Lanco: NHPC gets NCLT nod

New Delhi: The Hyderabad bench of National Company Law Tribunal (NCLT) Friday approved state-run hydro giant NHPC's Rs 907 crore bid for debt-ridden Lanco Teesta Hydro Power Ltd. The Committee of Creditors of Lanco had in its meeting in December last year voted in the bid's favour. **PTI**

Roundup award cut to $86 mn

New York: A California judge on Thursday reduced a $2 billion jury verdict, slashing the award for a couple who blamed Bayer AG's glyphosate-based weed killer, Roundup, for their cancer to $86.7 million.

Trump calls out China on WTO

Washington: United States President Donald Trump put pressure on the World Trade Organization (WTO) on Friday to change how it designates what are developing countries, singling out China and other countries for unfairly getting preferential treatment.

'Apple won't get China waivers'

Washington: US President Donald Trump on Friday said his administration will not grant Apple Inc any relief for tariffs on Chinese-made parts for its Mac Pro computer. **REUTERS**

REC celebrates foundation day

New Delhi: REC Ltd celebrated its 50th Foundation Day at an event on Thursday here. The Navratna company has funded projects across the power sector value chain to the tune of Rs 10,00,000 crore. Union Power Minister RK Singh attended the event as chief guest and called REC "a friend, philosopher and guide of the power utilities of state". Key ministry officials and member of various public sector enterprises were also felicitated at Thursday's event. **ENS**

Govt proposes scrapping of vehicles older than 15 years

PRESS TRUST OF INDIA
NEW DELHI, JULY 26

THE GOVERNMENT on Friday proposed amendments to Motor vehicle norms to allow scrapping of vehicles older than 15 years in a bid to spur adoption of electrical vehicles.

In a draft notification, the government proposed renewal of fitness certificates for vehicles older than 15 years every six months instead of the current timeframe of one year.

"The Ministry has issued a draft notification for amendments to the CMVR (Central Motor Vehicles Rules) for providing a boost to the Electric Vehicles, ensuring divyang friendly features in buses, and providing an enabling mechanism for scrapping of vehicles older than 15 years," Road Transport and Highways Ministry said in a statement.

Prasad asserts need for traceability mechanism in WhatsApp payments

KARISHMA MEHROTRA
NEW DELHI, JULY 26

WHILE ENCOURAGING the launch of WhatsApp Payments in India if the company complies with directives of Reserve Bank of India and National Payments Corporation of India, IT Minister Ravi Shankar Prasad on Friday said he told WhatsApp that it will need to develop its own traceability mechanism.

"I have heard them and I have instructed my department that in the event the platform is complying with (RBI and NPCI) regulatory requirements, they must be encouraged," Prasad said.

"On the issue of traceability, I have conveyed to them that traceability should be their job. But in the event that WhatsApp platform is abused by rogue terrorist or extremist elements by repeating some kind of recirculation of messages, then there must be a mechanism whereby those can be traced."

Meanwhile, WhatsApp global head Will Cathcart said he reiterated the company's commitment to encryption.

"We have made changes to WhatsApp's product to deal with virality, changed the like forward limits. We talked about the new work we are doing to cooperate with law enforcement by putting in place proper training. We are making sure we are handling requests. We did reiterate our support for encryption and how important that is to the product," he told reporters.

Prasad's meeting on Friday also included Whatsapp vice president of Global Policy and Communications Victoria Grand, Facebook India head Ajit Mohan, Facebook policy director Ankhi Das, and Rakesh Maheshwari.

'Nissan India to cut 1,700 jobs'

ENS ECONOMIC BUREAU
CHENNAI, JULY 26

INDIA WILL be part of Japanese auto giant Nissan Motor's jobs cut plan which was announced on Thursday. The global auto giant has announced to cut 12,500 jobs worldwide, including little over 1,700 (around 13 per cent) in India.

The move is aimed at restructuring the entire global operations due to weak performance of the company, particularly in emerging markets.

While sources in the know — both at the company and workers' union levels – confirmed the development, they seem to have no idea at which levels job cuts are going to be. Some job cuts have already taken place through VRS, it is learnt.

It is also learnt that Nissan India had announced late in 2018 a voluntary retirement scheme (VRS) or voluntary separation scheme (VSS) to employees in India. **FE**

Vodafone Idea reports ₹4,873.9 cr loss in Q1; revenue falls to ₹11,270 cr

ENS ECONOMIC BUREAU
MUMBAI, JULY 26

TELECOM OPERATOR Vodafone Idea Ltd on Friday posted a consolidated loss of Rs 4,873.9 crore for the June quarter of 2019-20, as against a loss of Rs 4,881.9 crore in the fourth quarter of 2018-19.

Vodafone India had posted a profit of Rs 256 crore in the first quarter of 2018-19, before the merger with Idea Cellular. As the merger of the India unit of Vodafone Group and Idea Cellular was completed on August 31, 2018, the numbers of June quarter are not comparable with those in year-ago period.

The revenue of the company, which has a huge debt of Rs 1.20 lakh crore, fell to Rs 11,269.9 crore for the June 2019 quarter as against Rs 11,775 crore in the January-March 2019 quarter. The first quarter revenue "declined by 4.3 per cent quarter-on-quarter primarily due to churn of customers who recharged with 'service validity vouchers' in the fourth quarter as well as ARPU (average revenue per user) downtrading".

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"We are delivering on our stated strategy although the benefits are not yet visible in our topline. As we continue to integrate our networks, our customers' data experience is significantly improving in most service areas," Vodafone Idea CEO Balesh Sharma said.

Sharma said the company is well on track to deliver its synergy targets by the first quarter of FY21. The company said its capex spend for the first quarter was Rs 2,840 crore, and its gross debt as on June 30, 2019 was at Rs 12,044 crore.

The company's subscriber base declined to 320 million from 334.1 million in the fourth quarter. Jio's free voice and dirt-cheap data offering have dented the financial metrics of older operators, deepening the impact of regulatory decisions like cut in termination charges, even though the voice and data usage have been growing at a scorching pace.

Last week, Reliance Jio — which is now India's second largest telecom operator in subscriber base — posted 45.6 per cent rise in net profit for June quarter of financial year 2019-20 to Rs 891 crore.

For the first quarter ended June 30, Reliance Jio's operating revenue stood at Rs 11,679 crore, up 44 per cent over the year-ago period. Its subscriber base stood at 331.3 million as on June 30, 2019.

PNB back in black, posts Q1 profit of ₹1,019 crore

ENS ECONOMIC BUREAU
MUMBAI, JULY 26

PUNJAB NATIONAL Bank (PNB), the country's third-largest public-sector lender, on Friday reported a net profit of Rs 1,019 crore in the June quarter of FY20, against a net loss of Rs 940 crore a year ago as provisions fell 65 per cent year-on-year (y-o-y) to Rs 2,023 crore.

Fresh slippages dropped over 10 per cent y-o-y to Rs 4,711 crore. Asset quality at PNB deteriorated on a sequential basis, with its gross non-performing assets (NPAs) as a percentage of total advances rising 99 bps to 16.49 per cent. Its net NPAs stood at 7.17 per cent, up 61 bps sequentially. PNB's cash recoveries and upgradation in the June quarter stood at Rs 2,305 crore and Rs 1,554 crore, respectively.

Speaking to a television channel, Sunil Mehta, MD and CEO, said, "Our gross NPA numbers have been coming down sequentially. This particular quarter has seen the impact of a base effect as the denominator in June is smaller than that in March."

In absolute terms, gross NPAs fell 1.5 per cent quarter-on-quarter to Rs 77,267 crore. Mehta added that slippages for the whole of FY20 could work out to about Rs 14,000-15,000 crore.

PNB's provision coverage ratio stood at 74.63 per cent, up from 61.8 per cent a year ago.

The bank said for the accounts covered under the provisions of Insolvency and Bankruptcy code (IBC), it is holding a total provision of Rs 12,053 crore as on June 30, which works out to 84 per cent of the total outstanding in these accounts. **FE**

Sebi sets minimum duration at 5 days for staggered delivery for commodity futures across exchanges

PRESS TRUST OF INDIA
NEW DELHI, JULY 26

CAPITAL MARKETS regulator Sebi on Friday fixed the minimum duration of the staggered delivery period at five working days for all commodity futures in order to bring uniformity in the timeline across exchanges.

Staggered delivery period is the duration during which sellers or buyers having open position may submit an intention to give or take the delivery of the contract.

At present, there is no uniformity in the length of staggered delivery period for commodity futures contracts across exchanges even for the same commodities, according to the circular issued by the Securities and Exchange Board of India (Sebi).

"All compulsory delivery commodity futures contracts (agriculture commodities as well as non-agriculture commodities) shall have a staggered delivery period," the circular mentioned.

"The minimum duration of staggered delivery period shall be at least five working days," the circular stated. It clarified that the exchanges shall have the flexibility to set higher duration of staggered delivery period for a commodity futures contract after taking into account factors like historical open interest, volume near expiry etc.

The regulator also eased the conditions for exchanges to provide incentives under liquidity enhancement schemes (LES) in the first five years of operation.

Under the scheme, brokers and other market intermediaries are given incentives for a specified period of time to bring in liquidity and generate investor interest in securities, which have limited trading activity.

Phase II of UPI mechanism for IPOs in place

New Delhi: Retail investors bidding for shares in an IPO through intermediaries should make payments only through Unified Payment Interface (UPI) mechanism, Sebi said Friday. In a circular, Sebi also provided a list of 45 banks via which retail investors can apply for IPO using UPI mechanism. **PTI**

US growth slows in Q2 to 2.1%; consumer spending accelerates

REUTERS
WASHINGTON, JULY 26

US ECONOMIC growth slowed less than expected in the second quarter as a surge in consumer spending blunted some of the drag from declining exports and a smaller inventory build, which could further allay concerns about the economy's health.

The fairly upbeat report from the Commerce Department on Friday will probably not deter the Federal Reserve from cutting interest rates next Wednesday for the first time in a decade, given rising risks to the economy's outlook, especially from a trade war between the United States and China. Despite the better-than-expected GDP reading, business investment contracted for the first time in more than three years and housing contracted for a sixth straight quarter. Fed Chairman Jerome Powell early this month flagged business investment and housing as areas of weakness in the economy.

But robust consumer spending, together with a strong labour market, further diminish expectations of a 50 basis point rate cut and could raise doubts about further monetary policy easing this year.